BANK INDONESIA REGULATION

NUMBER: 15/15/PBI/2013

ON

RESERVE REQUIREMENTS IN RUPIAH AND FOREIGN CURRENCIES FOR

CONVENTIONAL COMMERCIAL BANKS

BY THE BLESSINGS OF GOD THE ALMIGHTY

BANK INDONESIA GOVERNOR,

Upon

Considering : a. that liquidity adequacy of banks must be maintained to support monetary stability achievement;

b. that to support financial sector stability and anticipate potential risks arising from economic dynamics, it is necessary to reinforce liquidity of banks by considering their roles in performing intermediary functions;

c. that to achieve liquidity adequacy and performing intermediary functions optimally, it is necessary to regulate liquidity of banks through reserve requirement policy;

d. that pertaining to the shifting of regulatory and supervisory functions, tasks, and authority of financial service activities in banking sector from Bank Indonesia to the Financial Services Authority (*Otoritas Jasa Keuangan/OJK*) as from 31 December 2013, it is necessary to improve the provisions for reserve requirements;

e. that based on the foregoing, it is necessary to re-establish Bank Indonesia Regulation on Reserve Requirements in Rupiah and Foreign Currencies for Conventional Commercial Banks;

Observing : Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to State Gazette of the Republic of Indonesia Number 3843) as last amended by Law Number 6 of 2009 on Establishment of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia as a Law (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 4962);

HAS DECIDED:

To establish : BANK INDONESIA REGULATION ON RESERVE REQUIREMENTS IN RUPIAH AND FOREIGN CURRENCIES FOR CONVENTIONAL COMMERCIAL BANKS

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Bank Indonesia Regulation:

1. Bank means Commercial Banks as set forth in Law Number 7 of 1992 on Banking as amended by Law Number 10 of 1998, including their branch offices domiciled abroad, which carry on business activities in a conventional manner.

2. Foreign Exchange Bank means Banks which obtain approval of Bank Indonesia or OJK to carry on business activities in foreign exchange.

3. Financial Services Authority (*Otoritas Jasa Keuangan*), hereinafter referred to as OJK, means Financial Services Authority as set forth in Law Number 21 of 2011 on Financial Services Authority.

4. Third Party Funds, hereinafter referred to as TPF, mean the obligation of Banks to residents and non-residents in Rupiah and foreign currencies.

5. Demand Deposit Account means an account of a particular external party with Bank Indonesia as a means of administering transactions of savings, which may be withdrawn at any time.

6. Demand Deposit Account in Rupiah means a Demand Deposit Account in Rupiah, which may be withdrawn by using Bank Indonesia cheques, bill of exchange or any other means set forth in Bank Indonesia regulations on Demand Deposit Account relation between Bank Indonesia and external parties.

7. Demand Deposit Account in Foreign Currency means a Demand Deposit Account in a foreign currency, which may be withdrawn by bank transfer or any other means set forth in Bank Indonesia provisions for Demand Deposit Account relation between Bank Indonesia and external parties.

8. Loan to Deposit Ratio, hereinafter referred to as LDR, means the ratio of loan extended to third parties in Rupiah and foreign currencies, excluding loan to other banks, to third party funds covering demand deposits, savings, and time deposits in Rupiah and foreign currencies, excluding interbank funds.

9. Target LDR means the range of LDR with lower and upper limits determined by Bank Indonesia in calculation of RR by LDR.

10. Reserve Requirements, hereinafter referred to RR, means minimum funds, which must be maintained by Banks, whose amount is determined by Bank Indonesia in a certain percentage of TPF.

11. Primary RR means minimum savings, which must be maintained by Banks, in the balance of Demand Deposit Accounts with Bank Indonesia whose amount is determined by Bank Indonesia in a certain percentage of TPF.

12. Secondary RR means minimum savings, which must be maintained by Banks, in the form of Bank Indonesia Certificate, Bank Indonesia Deposit Certificate, Government Securities, and/or Excess Reserve, whose amount is determined by Bank Indonesia in a certain percentage of TPF.

13. RR by LDR means minimum savings, which must be maintained by Banks, in the form of balance of Demand Deposit Accounts at Bank Indonesia in a certain percentage of TPF, which is calculated based on the difference of LDR owned by Banks and the Target LDR.

14. Jakarta Interbank Offered Rate, hereinafter referred to as JIBOR, means interbank interest rates in various periods offered by certain banks in Jakarta.

15. Bank Indonesia Certificate, hereinafter referred to as SBI, means securities in Rupiah issued by Bank Indonesia as acknowledgement of short-term debts.

16. Bank Indonesia Deposit Certificate, hereinafter referred to as SDBI, means securities in Rupiah issued by Bank Indonesia as acknowledgement of short-term debts and tradable between Banks only.

17. Government Securities, hereinafter referred to as SBN, means securities consisting of Government Debenture in Rupiah and Government Sharia Securities in Rupiah issued by the Government of the Republic of Indonesia.

18. Excess Reserve means excess of Rupiah Demand Deposit Account balance out of Primary RR and RR by LDR maintained with Bank Indonesia.

19. Capital Adequacy Ratio, hereinafter referred to as CAR, means the ratio of capital to risk weighted assets as set forth in the regulation on capital adequacy ratio for commercial banks.

20. Incentive CAR means CAR established by Bank Indonesia for calculation of RR by LDR.

21. Lower Disincentive Parameter means multiplying parameters applied in calculation of RR by LDR for Banks with LDR less than the lower limit of the Target LDR.

22. Upper Disincentive Parameter means multiplying parameters applied in calculation of RR by LDR for Banks with LDR more than the upper limit of the Target LDR.

CHAPTER II

FULFILLMENT OF RESERVE REQUIREMENTS

Article 2

(1) Banks must fulfill RR in Rupiah.

(2) RR in Rupiah set forth in paragraph (1) consists of Primary RR, Secondary RR, and RR by LDR.

(3) In addition to fulfilling the provisions set forth in paragraph (1), Foreign Exchange Banks must also fulfill RR in foreign currencies.

Article 3

Fulfillment of RR in Rupiah set forth in Article 2 paragraph (2) is specified as follows:

a. Primary RR in Rupiah is 8% (eight percent) of TPF in Rupiah.

b. Secondary RR in Rupiah is 4% (four percent) of TPF in Rupiah.

c. RR by LDR in Rupiah is the calculation result of Lower Disincentive Parameter or Upper Disincentive Parameter with the difference between Bank's LDR and Target LDR by observing the difference of Bank CAR and Incentive CAR.

Article 4

(1) Bank Indonesia may provide exemption for fulfillment of Primary RR in Rupiah set forth in Article 3 letter a to Banks entering into merger or consolidation.

(2) Exemption for fulfillment of Primary RR in Rupiah set forth in paragraph (1) is determined 1% (one percent) for a period of 1 (one) year as from the effectiveness of such merger or consolidation.

(3) Exemption for fulfillment of Primary RR in Rupiah set forth in paragraph (1) will not apply to the fulfillment of Secondary RR and RR by LDR.

(4) Exemption for Primary RR in Rupiah set forth in paragraph (1) is made at the request of a Bank to Bank Indonesia accompanied by the approval of OJK on merger or consolidation incentive granted in the form of dispensation for fulfillment of Primary RR in Rupiah.

Article 5

RR in foreign currencies set forth in Article 2 paragraph (3) is determined 8% (eight percent) of TPF in foreign currencies.

Article 6

RR percentage set forth in Articles 3 and 5 may be adjusted from time to time.

CHAPTER III

BANK'S DEMAND DEPOSIT ACCOUNT AT BANK INDONESIA

Article 7

(1)   Every Bank must maintain Rupiah Demand Deposit Account at Bank Indonesia.

(2)   In addition to maintaining Rupiah Demand Deposit Account set forth in paragraph (1), Foreign Exchange Banks must maintain Foreign Currency Demand Deposit Accounts at Bank Indonesia.

(3)   Procedure for opening, transferring, withdrawal, and closing of Bank's Rupiah Demand Deposit Accounts and Foreign Exchange Demand Deposit Accounts set forth paragraphs (1) and (2) is specified under Bank Indonesia provisions for Demand Deposit Account relation between Bank Indonesia and external parties.

CHAPTER IV

CALCULATION OF RESERVE REQUIREMENTS

Article 8

Banks must meet the RR set forth in Articles 3 and 5 on a daily basis.

Article 9

Fulfillment of Primary RR in Rupiah set forth in Article 3 letter a and RR by LDR in Rupiah set forth in Article 3 letter c as well as fulfillment of RR in foreign currencies set forth in Article 5 is calculated by comparing the balance of Bank's Demand Deposit Account at Bank Indonesia at the end of day of 1 (one) reporting period to the daily amount of TPF in 1 (one) reporting period within the previous2 (two) reporting periods.

Article 10

(1) Fulfillment of Secondary RR in Rupiah set forth in Article 3 letter b is calculated by comparing the amount of SBI, SDBI, SBN, and/or Excess Reserve at the end of day in 1 (one) reporting period to the daily amount of TPF in 1 (one) reporting period within the previous 2 (two) reporting periods.

(2) Procedure for fulfillment of Secondary RR in Rupiah is further specified in Bank Indonesia Circular.

Article 11

(1) The amount and parameter used in calculation of RR by LDR in Rupiah are specified as follows:

    a. The lower limit of Target LDR is 78% (seventy-eight percent)

    b. The upper limit of Target LDR is 92% (ninety-two percent)

    c. Incentive CAR is 14% (fourteen percent)

    d. Lower Disincentive Parameter is 0.1 (zero point one)

    e. Upper Disincentive Parameter is 0.2 (zero point two)

(2) Bank Indonesia may at any time change the amount and parameter set forth in paragraph (1) if necessary.

(3) Procedure for fulfillment of RR by LDR in Rupiah is further specified in Bank Indonesia Circular.

Article 12

Fulfillment of RR by LDR in Rupiah set forth in Article 3 letter c is made as follows:

a. In the event Bank's LDR is within the Target LDR range, the Bank's RR by LDR is 0% (zero percent) of TPF in Rupiah.

b. In the event Bank's LDR is lower than the lower limit of Target LDR, RR by LDR is the result of multiplication of Lower Disincentive Parameter, difference between lower limit of Target LDR and Bank's LDR, and TPF in Rupiah.

c. In the event Bank's LDR is higher than the upper limit of Target LDR and its CAR is lower than Incentive CAR, then RR by LDR is the result of multiplication of Upper Disincentive Parameter, difference between upper limit of Target LDR and Bank's LDR, and TPF in Rupiah.

d. In the event Bank's LDR is higher than the upper limit of Target LDR and its CAR is equal to or higher than Incentive CAR, the Bank's RR by LDR is 0% (zero percent) of TPF in Rupiah.

Article 13

(1) Bank Indonesia may give exemption for fulfillment of RR by LDR set forth in Article 11 paragraph (1) to Banks under business activity limitation by OJK in relation to credit extension and fund collection.

(2) The exemption for fulfillment of RR by LDR set forth in paragraph (1) is given at the request of OJK.

Article 14

(1) TPF in Rupiah set forth in Article 3 letters a and b, Article 12, and Article 17 paragraph (2) and TPF in foreign currencies set forth in Article 5 are obtained from Statement of TPF in Rupiah and Foreign Currencies on Periodic Statements of Commercial Banks set forth in the provisions for periodic statements of commercial banks.

(2)   Bank's LDR set forth in Article 3 letter c and Article 12 is obtained from weekly balance sheet items in Periodic Statements of Commercial Banks submitted by Banks as set forth in the provisions for periodic statements of commercial banks.

(3)   Bank's CAR set forth in Article 3 letter c and Article 11 is quarterly CAR based on OJK calculation used for supervision of the relevant Bank.

(4)   Quarterly CAR set forth in paragraph (3) means Bank's CAR at the end of a quarter as follows:

   a.   CAR at the end of September is used to calculate daily RR by LDR in Rupiah in December, January, and February.

   b.   CAR at the end of December is used to calculate daily RR by LDR in Rupiah in March, April, and May.

   c.   CAR at the end of March is used to calculate daily RR by LDR in Rupiah in June, July, and August.

   d.   CAR at the end of June is used to calculate daily RR by LDR in Rupiah in September, October, and November.

(5)   In the event of difference between the calculation result of CAR received by Bank Indonesia from OJK and that of CAR by a Bank, the calculation result of CAR by OJK will govern.

Article 15

(1)   Balance of Bank's Demand Deposit Accounts at Bank Indonesia set forth in Article 9 consists of:

   a. balance of Demand Deposit Accounts in Rupiah;

   b. balance of Demand Deposit Accounts in Foreign Currencies.

(2) Information on Bank's Demand Deposit Account at Bank Indonesia set forth in paragraph (1) is obtained from Bank Indonesia Real Time Gross Settlement system for Demand Deposit Account in Rupiah and from Bank Indonesia accounting system for Demand Deposit Account in Foreign Currencies.

Article 16

(1) TPF set forth in Article 3, Article 12, Article 17 paragraph (2), and Article 5 consists of:

a. daily average of total TPF in Rupiah in all Bank's offices in Indonesia;

b. daily average of total TPF in foreign currencies in all Bank's offices in Indonesia.

(2) TPF in Rupiah includes obligations in Rupiah to non-bank third parties, either residents or non-residents, consisting of:

a. demand deposits;

b. savings;

c. time savings/deposit; and

d. other obligations.

(3) TPF in foreign currencies includes obligations in foreign currencies to third parties, including Banks in Indonesia, either residents or non-residents, consisting of:

a. demand deposits;

b. savings;

c. time savings/deposit; and

d. other obligations.

CHAPTER V

DEMAND DEPOSIT INTEREST

Article 17

(1) Bank Indonesia gives demand deposit interest on each business day to a certain part of fulfillment of Primary RR in Rupiah set forth in Article 3 letter a.

(2) The certain part set forth in paragraph (1) is specified 3% (three percent) of TPF in Rupiah.

(3) Demand deposit interest set forth in paragraph (1) is given at a rate of 2.5% (two point five percent) per annum.

(4) Demand deposit interest set forth in paragraph (1) will be given in the event Banks have fulfilled all RR in Rupiah as set forth in Article 3.

(5) Bank Indonesia may change its policy on the given demand deposit interest and/or percentage of demand deposit interest by considering the economic condition and direction of Bank Indonesia's policy.

Article 18

(1) Demand deposit interest set forth in Article 17 is given by crediting Bank's Rupiah Demand Deposit Account at Bank Indonesia.

(2) Crediting of Bank Rupiah Demand Deposit Account to give demand deposit interest set forth in paragraph (1) is made as follows:

a. demand deposit interest from the first day to the seventh day is credited no later than 2 (two) business days after the seventh day of the same month;

b. demand deposit interest from the eighth day to the fifteenth day is credited no later than 2 (two) business days after the fifteenth day of the same month;

c. demand deposit interest from the sixteenth day to the twenty-third day is credited no later than 2 (two) business days after the twenty-third day of the same month;

d. demand deposit interest from the twenty-fourth day to the last day of the month is credited no later than 2 (two) business days after the last day of the same month.

(3) In the event shortfall in excess of crediting occurs in the future related to the demand deposit interest set forth in paragraph (1), Bank Indonesia may directly credit or debit the relevant Bank's Demand Deposit Account as specified in Bank Indonesia regulation on Real Time Gross Settlement system of Bank Indonesia.

CHAPTER VI

AUDIT BY BANK INDONESIA

Article 19

(1) Bank Indonesia may conduct examination Banks to ensure their compliance with the implementation hereof.

(2) The examination set forth in paragraph (1) may be carried on in the following methods:

a. Bank Indonesia makes a direct audit;

b. Bank Indonesia makes a joint examination with OJK; and

c. Bank Indonesia uses examination data provided by OJK.

CHAPTER VII

SANCTIONS

Article 20

Banks in breach of the RR fulfillment obligation set forth in Articles 3, 5, and 11 will be imposed with the following sanctions:

a. written warning;

b.   penalties as follows:

    1.   Banks in breach of RR fulfillment obligation in Rupiah set forth in Articles 3 and 11 will be imposed with a penalty of 125% (one hundred twenty-five percent) of JIBOR overnight average interest rate in Rupiah with a maturity of 1 (one) day on the breach day against any shortfall in RR in Rupiah for each breach day.

    2.   Banks in breach of RR fulfillment obligation in foreign currencies set forth in Article 5 will be imposed with a penalty of 0.04% (zero point zero four percent) per business day, calculated from the difference between mandatory daily balance of Bank's Foreign Currency Demand Deposit Accounts at Bank Indonesia and that recorded on the accounting system of Bank Indonesia.

    3.   The penalty set forth in number 2 will be paid in Rupiah by using Bank Indonesia middle rate on the breach day.

Article 21

The sanctions set forth in Article 20 letter b number 1 are exempted:

a.   from Banks receiving dispensation for fulfillment of RR in Rupiah set forth in Article 4 paragraph (1), to the extent a shortfall in Primary RR in Rupiah does not exceed 1% (one percent) of TPF in Rupiah; and/or

b.   from Banks receiving dispensation for fulfillment of RR by LDR set forth in Article 13 paragraph (1).

Article 22

(1)   The sanctions set forth in Article 20 letter b numbers 1 and 2 are imposed by debiting Bank's Rupiah Demand Deposit Accounts at Bank Indonesia.

(2) Bank's Rupiah Demand Deposit Account in the sanction imposition set forth in paragraph (1) will be debited no later than 3 (three) business days after the breach day.

(3) In the event a shortfall or excess is found on the account debiting pertaining to the sanction imposition set forth in paragraph (1), Bank Indonesia may directly debit or credit the relevant Bank's Demand Deposit Account as specified in Bank Indonesia provisions for Bank Indonesia Real Time Gross Settlement system for Bank's Rupiah Demand Deposit Account and for Bank Indonesia accounting system for Bank's Foreign Currency Demand Deposit Account.

(4) In the event the balance of Bank's Rupiah Demand Deposit Account is not sufficient during the debiting set forth in paragraph (2), all such penalties will be calculated as its pending obligation to Bank Indonesia.

(5) In the event Bank's Rupiah Demand Deposit Account balance is not sufficient for such debiting set forth in paragraph (1), the sanction set forth in Article 20 letter b number 1 may also apply for such shortfall.

CHAPTER VIII

CONCLUDING PROVISIONS

Article 23

Upon enforcement hereof:

a. Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements in Rupiah and Foreign Currencies for Commercial Banks at Bank Indonesia (State Gazette of the Republic of Indonesia Number 115 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5158);

b. Bank Indonesia Regulation Number 13/10/PBI/2011 on Amendment to Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements in Rupiah and Foreign

Currencies for Commercial Banks at Bank Indonesia (State Gazette of the Republic of Indonesia Number 21 of 2011, Supplement to State Gazette of the Republic of Indonesia Number 5200); and

c.   Bank Indonesia Regulation Number 15/7/PBI/2013 on the Second Amendment to Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements in Rupiah and Foreign Currencies for Commercial Banks at Bank Indonesia (State Gazette of the Republic of Indonesia Number 153 of 2013, Supplement to State Gazette of the Republic of Indonesia Number 5446),

are repealed and is hereby declared null and void.

Article 24

Upon enforcement of this Bank Indonesia Regulation, all implementing regulations of Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements of Commercial Banks at Bank Indonesia in Rupiah and Foreign Currencies (State Gazette of the Republic of Indonesia Number 115 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5158) as last amended by Bank Indonesia Regulation Number 15/7/PBI/2013 on the Second Amendment to Bank Indonesia Regulation Number 12/19/PBI/2010 on Reserve Requirements of Commercial Banks with Bank Indonesia in Rupiah and Foreign Currencies (State Gazette of the Republic of Indonesia Number 153 of 2013, Supplement to State Gazette of the Republic of Indonesia Number 5446) are hereby declared valid to the extent they are not in contravention of the provisions contained herein.

Article 25

This Bank Indonesia Regulation starts to take effect as from 31 December 2013.

In order for this Regulation to become publicly known, it is hereby ordered that this Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Established in Jakarta

on 24 December 2013

BANK INDONESIA GOVERNOR,

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

on 24 December 2013

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 235 OF 2013

DKMP

ELUCIDATION

ON

BANK INDONESIA REGULATION

NUMBER: 15/15/PBI/2013

ON RESERVE REQUIREMENTS IN RUPIAH AND FOREIGN CURRENCIES FOR

CONVENTIONAL COMMERCIAL BANKS

I.   GENERAL

Liquidity management of banks is required for optimum monetary policy transmission by banking system through the role of Banks in payment system, money market, and intermediary function in credit extension.

Liquidity condition of banks as one of the key actors in financial system significantly affects financial sector stability, and therefore, efforts to maintain liquidity adequacy of Banks must be made in a measured manner to ensure such liquidity adequacy is in line with their asset growth.

Liquidity reinforcement policy is performed by considering its impacts on macroeconomic condition, overall banking system, and the conditions of individual Banks.

II.   ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Self-explanatory

Article 3

Letter a

Example of calculation of Primary RR in Rupiah:

Within a reporting period from 1 to 7 January 2014, a Bank has daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah).

Daily Primary RR in Rupiah for a reporting period from 15 to 23 January 2014 to be fulfilled by a bank is 8% (eight percent) of TPF in Rupiah, i.e. amounting to Rp4,000,000,000,000.00 (four trillion rupiah).

Letter b

Example of calculation of Secondary RR in Rupiah:

Within a reporting period from 1 to 7 January 2014, a Bank has daily average of total TPF in Rupiah of Rp50,000,000,000,000.00 (fifty trillion rupiah).

Daily Secondary RR in Rupiah for a reporting period from 15 to 23 January 2014 to be fulfilled by a bank is 4% (four percent) of TPF in Rupiah, i.e. amounting to Rp2,000,000,000,000.00 (two trillion rupiah).

Letter c

Self-explanatory

Article 4

Paragraph (1)

Self-explanatory

Paragraph (2)

By giving dispensation for fulfillment of Primary RR in Rupiah of 1% (one percent), the Primary RR in Rupiah which must be held by a Bank changes from 8% (eight percent) to 7% (seven percent).

Paragraph (3)

Self-explanatory

Paragraph (4)

    Self-explanatory

Article 5

Example of calculation of RR in foreign currencies:

Within a reporting period from 8 to 15 January 2014, a Bank has daily average of total TPF in foreign currencies of USD100,000,000.00 (one hundred million US Dollar).

Daily RR in foreign currencies for a reporting period from 24 to 31 January 2014 which must be held by a bank is:

8% x USD100,000,000.00 = USD8,000,000.00 (eight million US Dollar).

Article 6

Adjustment is made consistent with the direction of Bank Indonesia's policy by considering, among others, macroeconomic, monetary, and financial conditions.

Article 7

Paragraph (1)

    Self-explanatory

Paragraph (2)

    Self-explanatory

Paragraph (3)

    For fulfillment of RR in foreign currencies, a Bank must make a foreign currency deposit from its account with Bank Indonesia to The Federal Reserve Bank of New York, New York (FRB).

The Bank will thereafter submit to Bank Indonesia such foreign currency deposit information in writing, among others, through SWIFT or letter, no later than 14.00 West Indonesia Time on the foreign currency date.

In the event a Bank makes a withdrawal from its Foreign Currency Account, the request for such withdrawal must be received by Bank Indonesia no later than 2 (two) business days prior to the foreign currency date.

Article 8

Calculation of fulfillment of daily RR is made by end of day position.

Article 9

Calculation of percentage of Primary RR in Rupiah and RR by LDR in Rupiah and RR in foreign currencies is as follows:

$$\frac{\text{Amount of daily Demand Deposit Account balance recorded with Bank Indonesia within 1 (one) reporting period}}{\text{Daily average of TPF amount in 1 (one) reporting period within the previous 2 (two) reporting periods}} \text{X100\%}$$

Calculation of Primary RR in Rupiah and RR by LDR in Rupiah as well as RR in foreign currencies is based on Bank TPF as follows:

a. Daily RR for a reporting period from the first day to the seventh day is the RR percentage determined from the daily average of TPF amount within a reporting period from the sixteenth day to the twenty-third day of the previous month;

b. Daily RR for a reporting period from the eighth day to the fifteenth day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the twenty-fourth day to the last day of the previous month;

c.   Daily RR for a reporting period from the sixteenth to the twenty-third day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the first day to the seventh day of the same month;

d.   Daily RR for a reporting period from the twenty-fourth to the last day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the eighth day to the fifteenth day of the same month.

Article 10

Paragraph (1)

SBN consists of Government Debenture and Government Sharia Securities.

"Government Debenture", hereinafter referred to as SUN, has a meaning as set forth in Law Number 24 of 2002 on Government Debenture consisting of Government Bonds and Government Treasury Bill, but limited to Rupiah currency only.

"Government Sharia Securities" or "Sukuk", hereinafter referred to as SBSN, has a meaning as set forth in the rules and regulations on Government Sharia Securities consisting of Long-Term SBSN and Short-Term SBSN, but limited to Rupiah currency only.

"Government Bond" means SUN with a period of more than 12 (twelve) months with coupon and/or discounted interest payment.

"Government Treasury Bill" means SUN with a period until 12 (twelve) months with discounted interest payment.

"Long-Term SBSN" means SBSN with a period of more than 12 (twelve) months with payment of yields in the form of coupon and/or discount.

"Short-Term SBSN", or referred to as Sharia Government Treasury Bill, means SBSN with a period until 12 (twelve) months with payment of yields in the form of coupon and/or discount.

Calculation of percentage of Secondary RR in Rupiah is as follows:

$$\frac{\text{SBI} + \text{SDBI} + \text{SBN} + \text{Excess Reserve}}{\text{Daily average of TPF amount in 1 (one) reporting period within the previous 2 (two) reporting periods}} \times 100\%$$

Calculation of Secondary RR in Rupiah is based on Bank's TPF as follows:

a. Daily RR for a reporting period from the first day to the seventh day is the RR percentage determined from the daily average of TPF amount within a reporting period from the sixteenth to the twenty-third day of the previous month;

b. Daily RR for a reporting period from the eighth day to the fifteenth day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the twenty-fourth day to the last day of the previous month;

c. Daily RR for a reporting period from the sixteenth to the twenty-third day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the first day to the seventh day of the same month;

d. Daily RR for a reporting period from the twenty-fourth to the last day is equal to the RR percentage determined from the daily average of TPF amount within a reporting period from the eighth day to the fifteenth day of the same month.

Paragraph (2)

Self-explanatory

Article 11

Paragraph (1)

Self-explanatory

Paragraph (2)

Target LDR percentage, Incentive CAR, Lower Disincentive Parameter, and Upper Disincentive Parameter are determined according to the direction of Bank Indonesia's policy by considering, among others, macroeconomic, monetary, and financial conditions.

Paragraph (3)

Self-explanatory

Article 12

Letter a

Example of calculation of RR by LDR in Rupiah:

A Bank has a daily average of total TPF in Rupiah within a reporting period from 8 to 15 January 2014 amounting to Rp50,000,000,000,000.00 (fifty trillion rupiah) and the Bank's LDR position at the end of the reporting period is 90% (ninety percent).

As set forth in Article 11 paragraph (1), the lower limit of Target LDR is determined 78% (seventy-eight percent) and the upper limit of Target LDR is 92% (ninety-two percent) so that the Bank's LDR is within the Target LDR. Therefore, the Bank's daily RR by LDR in Rupiah for a reporting period from 24 to 31 January is 0% (zero percent) of TPF in Rupiah.

Daily RR in Rupiah for a reporting period from 24 to 31 January to be fulfilled by the Bank is as follows:

a.   Primary RR of 8% (eight percent) of TPF in Rupiah amounting to Rp4,000,000,000,000.00 (four trillion rupiah) in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

b.   Secondary RR of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah) in the form of SBI, SDBI, SBN, and/or Excess Reserve.

c.   RR by LDR of 0% (zero percent) of TPF in Rupiah amounting to Rp0.00 (zero rupiah).

Letter b

Example of calculation of RR in Rupiah:

A Bank has a daily average of total TPF in Rupiah within a reporting period from 8 to 15 January 2014 amounting to Rp50,000,000,000,000.00 (fifty trillion rupiah) and the Bank's LDR position at the end of the reporting period is 75% (seventy-five percent).

As set forth in Article 11 paragraph (1):

a.   The lower limit of Target LDR is determined 78% (seventy-eight percent) and the upper limit of Target LDR is 92% (ninety-two percent).

b.   Lower Disincentive Parameter is determined 0.1 (zero point one).

The Bank's LDR is lower than the lower limit of Target LDR, so that the Bank's Daily RR by LDR in Rupiah for a reporting from 24 to 31 January 2014 amounts to:

Lower Disincentive Parameter x (Lower limit of Target LDR - Bank's LDR) x TPF in Rupiah

= 0.1 x (78% - 75%) x TPF in Rupiah

= 0.1 x 3% x TPF in Rupiah

= 0.3% x TPF in Rupiah

Daily RR in Rupiah for a reporting period from 24 to 31 January 2014 fulfilled by the Bank is as follows:

a. Primary RR of 8% (eight percent) of TPF in Rupiah amounts to Rp4,000,000,000,000.00 (four trillion rupiah) in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

b. Secondary RR of 4% (four percent) of TPF in Rupiah amounts to Rp2,000,000,000,000.00 (two trillion rupiah) in the form of SBI, SDBI, SBN, and/or Excess Reserve.

c. RR by LDR of 0.3% (zero point three percent) of TPF in Rupiah amounts to Rp150,000,000,000.00 (one hundred fifty billion rupiah) in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

Letter c

Example of calculation of RR by LDR in Rupiah:

A Bank has a daily average of total TPF in Rupiah within a reporting period from 8 to 15 January 2014 amounting to Rp50,000,000,000,000.00 (fifty trillion rupiah), the Bank's LDR position at the end of the reporting period is 97% (ninety-seven percent), and its CAR position at the end of September 2013 is 12% (twelve percent).

As set forth in Article 11 paragraph (1):

a. The lower limit of Target LDR is determined 78% (seventy-eight percent) and the upper limit of Target LDR is 92% (ninety-two percent).

b. Upper Disincentive Parameter is determined 0.2% (zero point two percent).

c. Incentive CAR is determined 14% (fourteen percent).

The Bank's LDR is higher than the upper limit of Target LDR and its CAR is higher than Incentive CAR. Therefore, the Banks Daily RR by LDR in Rupiah for a reporting period from 24 to 31 January 2014 is 0% (zero percent) of TPF in Rupiah.

Daily RR in Rupiah for a reporting period from 24 to 31 January 2014 mandatorily fulfilled by the Bank is as follows:

a. Primary RR of 8% (eight percent) of TPF in Rupiah amounts to Rp4,000,000,000,000.00 (four trillion rupiah) in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

b. Secondary RR of 4% (four percent) of TPF in Rupiah amounts to Rp2,000,000,000,000.00 (two trillion rupiah) in the form of SBI, SDBI, SBN, and/or Excess Reserve.

c. RR by LDR of 0% (zero percent) of TPF in Rupiah amounts to Rp0.00 (zero rupiah).

Article 13

Paragraph (1)

Dispensation for fulfillment of RR by LDR is given in the form of, among others, change of the percentage of RR by LDR from the percentage set forth in Article 11 hereof.

Paragraph (2)

Self-explanatory

Article 14

Paragraph (1)

Self-explanatory

Paragraph (2)

Bank's LDR used as the basis for calculation of RR by LDR in Rupiah is based on weekly balance sheet items in Periodic Statements of Commercial Banks at the end of the statement date in the previous 2 (two) reporting periods.

Therefore, RR by LDR in Rupiah is determined as follows:

a. Daily RR by LDR in Rupiah for a reporting period from the first day to the seventh day is based on the LDR amount at the end of a reporting period from the sixteenth day to the twenty-third day of the previous month;

b. Daily RR by LDR in Rupiah for a reporting period from the eighth day to the fifteenth day is based on the LDR amount at the end of a reporting period from the twenty-fourth day to the last day of the previous month;

c. Daily RR by LDR in Rupiah for a reporting period from the sixteenth day to the twenty-third day is based on the LDR amount at the end of a reporting period from the first day to the seventh day of the same month;

d. Daily RR by LDR in Rupiah for a reporting period from the twenty-fourth day to the last day is based on the LDR amount at the end of a reporting period from the eighth day to the fifteenth day of the same month.

Paragraph (3)

Quarterly CAR used as the basis for calculation of RR by LDR in Rupiah is the processed result of application system received by Bank Indonesia from OJK for supervision of the relevant Bank for the positions at the end of March, June, September, and December.

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 15

Paragraph (1)

For conventional Commercial Banks which also carry on their businesses under sharia principles, their Demand Deposit Account balance excludes the Demand Deposit Account balance of sharia business units.

Paragraph (2)

Self-explanatory

Article 16

Paragraph (1)

For conventional Commercial Banks which also carry on their businesses under sharia principles, the amounts of TPF in Rupiah and foreign currencies exclude TPF in Rupiah and foreign currencies reported by sharia business units.

Paragraph (2)

Letter a

"Demand deposit" in Rupiah means demand deposit component set forth in the elucidation on components of Third Party Funds in Rupiah in the provisions for periodic statements of commercial banks.

Letter b

"Savings" in Rupiah means the savings component set forth in the elucidation on components of Third Party Funds in Rupiah in the provisions for periodic statements of commercial banks.

Letter c

"Time savings/deposit" in Rupiah means the time savings component set forth in the elucidation on components of Third Party Funds in Rupiah in the provisions for periodic statements of commercial banks.

Letter d

"Other obligations" in Rupiah means other obligations to non-bank third parties set forth in the elucidation on components of Third Party Funds in Rupiah in the provisions for periodic statements of commercial banks.

Paragraph (3)

Letter a

"Demand deposit" in Rupiah means demand deposit component set forth in the elucidation on components of Third Party Funds in foreign currencies in the provisions for periodic statements of commercial banks.

Letter b

"Savings" in foreign currencies means the savings component set forth in the elucidation on components of Third Party Funds in foreign currencies in the provisions for periodic statements of commercial banks.

Letter c

"Time savings/deposit" in foreign currencies means the time savings component set forth in the elucidation on components of Third Party Funds in foreign currencies in the provisions for periodic statements of commercial banks.

Letter d

"Other obligations" in foreign currencies means other obligations to third parties, including banks, set forth in the elucidation on components of Third

Party Funds in foreign currencies in the provisions for periodic statements of commercial banks.

Article 17

Paragraph (1)

Self-explanatory

Paragraph (2)

Daily demand deposit interest in 1 (one) reporting period is calculated by multiplying the percentage of demand deposit interest by a certain portion of the daily average of TPF in 1 (one) reporting period within the previous 2 (two) reporting periods.

Paragraph (3)

An interest rate of 2.5% (two point five percent) is an effective annual rate determined based on daily compounding period for 360 (three hundred sixty) days.

The calculation method of daily percentage of demand deposit interest using the interest rate of 2.5% (two point five percent) is as follows:

Daily percentage of demand deposit interest

$= \{1 + \text{effective annual rate}\}^{(1/360)} - 1$

$= \{1 + 2.5\%\}^{(1/360)} - 1$

$= 0.00686\%$

Such calculation result is rounded to 5 (five) decimal places.

Paragraph (4)

Banks receiving dispensation for fulfillment of RR in Rupiah set forth in Article 4 paragraph (1) is deemed to meet all obligations of RR in Rupiah in the event they

have fulfilled minimum Primary RR in Rupiah of 7% (seven percent) of TPF in Rupiah and fulfilled Secondary RR in Rupiah and RR by LDR in Rupiah under the applicable provisions.

Paragraph (5)

Self-explanatory

Example of demand deposit interest calculation:

According to the calculation example in the explanation of Article 12 letter c, Bank A must fulfill daily RR in Rupiah for a reporting period from 24 to 31 January 2014 as follows:

a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounts to Rp4,000,000,000,000.00 (four trillion rupiah);

b. Secondary RR in Rupiah of 4% (four percent) of TPF in Rupiah amounts to Rp2,000,000,000,000.00 (two trillion rupiah); and

c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounts to Rp500,000,000,000.00 (five hundred billion rupiah).

Primary RR in Rupiah and RR by LDR in Rupiah of 9% (nine percent) of TPF in Rupiah amounting to Rp4,500,000,000,000.00 (four trillion five hundred billion rupiah) must be fulfilled in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

Meanwhile, Secondary RR of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah) must be fulfilled in the form of SBI, SDBI, SBN, and/or Excess Reserve.

On 24 January 2014, the balance of Rupiah Demand Deposit Account of Bank A with Bank Indonesia is Rp5,000,000,000,000.00 (five trillion rupiah) and Bank A has SBI,

SDBI, SBN, and/or Excess Reserve of Rp2,100,000,000,000.00 (two trillion one hundred billion rupiah). Therefore, the Bank has fulfilled all obligations of RR in Rupiah and may obtain demand deposit interest for a certain portion of Rupiah Demand Deposit Account balance used for fulfillment of Primary RR in Rupiah.

The portion of Rupiah Demand Deposit Account balance obtaining demand deposit interest is determined 3% (three percent) of TPF in Rupiah amounting to:

= 3% x Rp50,000,000,000,000.00 = Rp1,500,000,000,000.00 (one trillion five hundred billion rupiah)

Demand deposit interest calculation at an interest rate of 2.5% (two point five percent) per annum on 24 January 2014 is as follows:

= percentage of daily demand deposit interest x portion of Rupiah Demand Deposit Account balance obtaining demand deposit interest

= 0.00686% x 3% x Rp50,000,000,000,000.00

= Rp 102,900,000.00

Article 18

Paragraph (1)

Self-explanatory

Paragraph (2)

Example of demand deposit interest calculation:

According to the calculation example in the explanation of Article 12 letter c, a Bank must fulfill daily RR in Rupiah for a reporting period from 24 to 31 January 2014 as follows:

a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounts to Rp4,000,000,000,000.00 (four trillion rupiah);

b. Secondary RR in Rupiah of 4% (four percent) of TPF in Rupiah amounts to Rp2,000,000,000,000.00 (two trillion rupiah); and

c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounts to Rp500,000,000,000.00 (five hundred billion rupiah).

Primary RR in Rupiah and RR by LDR in Rupiah of 9% (nine percent) of TPF in Rupiah amounting to Rp4,500,000,000,000.00 (four trillion five hundred billion rupiah) must be fulfilled in the form of balance of Rupiah Demand Deposit Account with Bank Indonesia.

Meanwhile, Secondary RR of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah) must be fulfilled in the form of SBI, SDBI, SBN, and/or Excess Reserve.

For a period from 24 to 31 January 2014, the Bank has the following amount of Rupiah Demand Deposit Account balance with Bank Indonesia and amount of SBI, SDBI, and SBN:

a. on 24 January 2014, Rupiah Demand Deposit Account balance is Rp5,000,000,000,000.00 (five trillion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,800,000,000,000.00 (one trillion eight hundred billion rupiah);

b. on 27 January 2014, Rupiah Demand Deposit Account balance is Rp4,700,000,000,000.00 (four trillion seven hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,700,000,000,000.00 (one trillion seven hundred billion rupiah);

c. on 28 January 2014, Rupiah Demand Deposit Account balance is Rp4,300,000,000,000.00 (four trillion three hundred billion rupiah) and the

amount of SBI, SDBI, and SBN is Rp2,200,000,000,000.00 (two trillion two hundred billion rupiah);

d. on 29 January 2014, Rupiah Demand Deposit Account balance is Rp4,600,000,000,000.00 (four trillion six hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp2,000,000,000,000.00 (two trillion rupiah);

e. on 30 January 2014, Rupiah Demand Deposit Account balance is Rp4,400,000,000,000.00 (four trillion four hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,800,000,000,000.00 (one trillion eight hundred billion rupiah).

It is assumed that 25, 26, and 31 January 2014 and 1 and 2 February 2014 are holidays.

Based on the example above, the Bank obtains demand deposit interest only on 24 and 29 January 2014 because:

a. on 27 January 2014, the Bank has a shortfall in the amount of SBI, SDBI, SBN, and Excess Reserve for fulfillment of Secondary RR;

b. on 28 January 2014, the Bank has a shortfall in the amount of Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR; and

c. on 30 January 2014, the Bank has a shortfall in the amount of Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR and it also has a shortfall in the amount of SBI, SDBI, SBN, and Excess Reserve for fulfillment of Secondary RR.

Demand deposit interest calculation on 24 and 29 January 2014 respectively is as follows:

= daily percentage of demand deposit interest x Rupiah Demand Deposit Account balance portion obtaining demand deposit interest

= daily percentage of demand deposit interest x (3% x TPF in rupiah)

= 0.00686% x (3% x Rp50,000,000,000,000.00)

= 0.00686% x Rp1,500,000,000,000.00

= Rp 102,900,000.00

Demand deposit interest on 24 and 29 January 2014 will be credited by Bank Indonesia to the Bank's Rupiah Demand Deposit Account no later than 4 February 2014 because 1 and 2 February 2014 are holidays. The amount of the credited demand deposit interest is:

2 x Rp 102,900,000.00 = Rp205,800,000.00

Rounding for the crediting of a Bank's Demand Deposit Account by Bank Indonesia is made by observing the Indonesian Bank Accounting system.

Paragraph (3)

Self-explanatory

Article 19

Paragraph (1)

Self-explanatory

Paragraph (2)

In auditing of Banks, Bank Indonesia will submit a written notice to OJK.

Article 20

Letter a

Self-explanatory

Letter b

Number 1

Example of penalty calculation:

According to the calculation example in the explanation of Article 18 paragraph (2)

1. On 27 January 2014, Rupiah Demand Deposit Account balance is Rp4,700,000,000,000.00 (four trillion seven hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,700,000,000,000.00 (one trillion seven hundred billion rupiah). The Bank has Excess Reserve of Rp200,000,000,000.00 (two hundred billion rupiah), which may be used to cover the shortfall in Secondary RR in Rupiah. Therefore, the Bank's Secondary RR in Rupiah amounts to:

   = Rp1,700,000,000,000.00 + Rp200,000,000,000.00

   = Rp1,900,000,000,000.00

   However, the Excess Reserve is still insufficient to cover the shortfall in Secondary RR in Rupiah of Rp100,000,000,000.00 (one hundred billion rupiah).

   In the event Rupiah JIBOR interest rate on 27 January 2014 is 6% (six percent), the calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$= \frac{\text{Shortfall in RR in Rupiah x 125\% x Rupiah JIBOR interest rate x number of business day(s)}}{360}$$

$$= \frac{\text{Rp100,000,000,000.00 x 125\% x 6\% x 1}}{360}$$

In addition, on 27 January 2014, the Bank is not entitled to receive demand deposit interest because it fails to fulfill the overall RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR).

2. On 28 January 2014, Rupiah Demand Deposit Account balance is Rp4,300,000,000,000.00 (four trillion three hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp2,200,000,000,000.00 (two trillion two hundred billion rupiah).

    There is a shortfall in Primary RR and RR by LDR of Rp200,000,000,000.00 (two hundred billion rupiah), which may not be covered by Secondary RR excess.

    In the event Rupiah JIBOR interest rate on 28 January 2014 is 6% (six percent), the calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$= \frac{\text{Shortfall in RR in Rupiah x 125\% x Rupiah JIBOR interest rate x number of business day(s)}}{360}$$

$$= \frac{\text{Rp200,000,000,000.00 x 125\% x 6\% x 1}}{360}$$

3. On 30 January 2014, Rupiah Demand Deposit Account balance is Rp4,400,000,000,000.00 (four trillion four hundred billion rupiah) and the amount of SBI, SDBI, and SBN is Rp1,800,000,000,000.00 (one trillion eight hundred billion rupiah).

    There is a shortfall in RR in Rupiah of Rp300,000,000,000.00 (three hundred billion rupiah), consisting of shortfall in Primary RR in Rupiah and RR by LDR in Rupiah of Rp100,000,000,000.00 (one

hundred billion rupiah) and that in Secondary RR in Rupiah of Rp200,000,000,000.00 (two hundred billion rupiah).

The calculation of penalty for breach of RR in Rupiah on such date is as follows:

$$= \frac{\text{Shortfall in RR in Rupiah x 125\% x Rupiah JIBOR interest rate x number of business day(s)}}{360}$$

$$= \frac{\text{Rp300,000,000,000.00 x 125\% x 6\% x 1}}{360}$$

In addition, on 30 January 2014, the Bank is not entitled to receive demand deposit interest because it fails to fulfill RR in Rupiah (shortfall in Rupiah Demand Deposit Account balance for fulfillment of Primary RR and RR by LDR and that in the amount of SBI, SDBI, SBN, and/or Excess Reserve to fulfill Secondary RR).

Number 2

Example of calculation:

Bank A has a daily average of total TPF in foreign currencies within the reporting period from 8 to 15 January 2014 amounting to USD100,000,000.00 (one hundred million US Dollar).

Daily RR in foreign currencies for a reporting period from 24 to 31 January 2014 amounts to:

8% x USD100,000,000.00 = USD8,000,000.00 (eight million US Dollar)

Foreign Currency Demand Deposit Account balance of Bank A at Bank Indonesia on 24 January 2014 is USD7,900,000.00 (seven million nine hundred thousand US Dollar), resulting in a shortfall in RR of USD100,000.00 (one hundred thousand US Dollar).

The calculation of penalty for breach of RR in foreign currency by the Bank on 24 January 2014 is as follows:

0.04% x (USD8,000,000.00 – USD7,900,000.00) = USD40.00 (forty US Dollar).

Number 3

"Bank Indonesia middle rate" is the selling rate plus buying rate divided by two.

With the penalty of USD40.00 (forty US Dollar) as given in the example above and assumed BI middle rate on the breach day of Rp9,000.00/USD (nine thousand rupiah per US Dollar), the penalty payable by the Bank amounts to:

40 x Rp9,000.00 = Rp360,000.00 (three hundred sixty thousand rupiah).

Article 21

Self-explanatory

Article 22

Paragraph (1)

Self-explanatory

Paragraph (2)

Example of Debiting of Bank's Demand Deposit Account

According to the calculation example in the explanation of Article 12 letter c, Bank A must fulfill the following daily RR in Rupiah for a reporting period from 24 to 31 January 2014:

a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounting to Rp4,000,000,000,000.00 (four trillion rupiah);

b. Secondary RR in Rupiah of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah); and

c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounting to Rp500,000,000,000.00 (five hundred billion rupiah). The calculation is as given in the explanation of Article 12 letter c.

The balance of Rupiah Demand Deposit Account of Bank A with Bank Indonesia on 24 January 2014 is Rp4,000,000,000,000.00 (four trillion rupiah) and the Bank has SBI, SDBI, and SBN of Rp1,600,000,000,000.00 (one trillion six hundred billion rupiah), resulting in a shortfall in RR in Rupiah of Rp900,000,000,000.00 (nine hundred billion rupiah), consisting of:

a. shortfall in Primary RR in Rupiah and RR by LDR in Rupiah amounting to Rp500,000,000,000.00 (five hundred billion rupiah); and

b. shortfall in Secondary RR in Rupiah amounting to Rp400,000,000,000.00 (four hundred billion rupiah).

A breach of RR in Rupiah is committed on 24 January 2014 (Friday) and the Bank's Demand Deposit Account must be debited no later than 29 January 2014 (Wednesday). In the event 28 January 2014 is a national holiday, the penalty amount will be debited from the Bank's account no later than 30 January 2014 (Thursday).

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

A Bank has a daily average of total TPF in Rupiah within a reporting period from 8 to 15 January 2014 amounting to Rp50,000,000,000,000.00 (fifty trillion rupiah), LDR of 97% (ninety-seven percent)at the end of such period, and CAR of 12% (twelve percent)at the end of September 2013.

Daily RR in Rupiah to be fulfilled for a reporting period from 24 to 31 January 2014 is as follows:

a. Primary RR in Rupiah of 8% (eight percent) of TPF in Rupiah amounting to Rp4,000,000,000,000.00 (four trillion rupiah);

b. Secondary RR in Rupiah of 4% (four percent) of TPF in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah); and

c. RR by LDR in Rupiah of 1% (one percent) of TPF in Rupiah amounting to Rp500,000,000,000.00 (five hundred billion rupiah).

    Calculation of RR by LDR follows the example given in the explanation of Article 12 letter c.

Balance of the Bank's Rupiah Demand Deposit Account at Bank Indonesia on 24 January 2014 amounts to Rp1,700,000,000,000.00 (one trillion seven hundred billion rupiah) and the Bank does not have SBI, SDBI, and SBN. Therefore, there is a shortfall in RR in Rupiah of Rp4,800,000,000,000.00 (four trillion eight hundred billion rupiah), consisting of a shortfall in Primary RR in Rupiah and RR by LDR in Rupiah amounting to Rp2,800,000,000,000.00 (two trillion eight hundred billion rupiah) and that in Secondary RR in Rupiah amounting to Rp2,000,000,000,000.00 (two trillion rupiah).

Rupiah JIBOR interest rate on 24 January 2014 is 6% (six percent).

The calculation of penalty for breach of RR in Rupiah by the Bank on such date is as follows:

$$\frac{\text{Shortfall in RR in Rupiah x 125\% x Rupiah JIBOR interest rate x number of business day(s)}}{360}$$

$$\frac{\text{Rp4,800,000,000,000.00 x 125\% x 6\% x 1}}{360}$$
= Rp1,000,000,000.00 (one billion rupiah)

Then, the Bank's Rupiah Demand Deposit Account will be debited with such penalty amount no later than the following 3 (three) business days.

In the event such account is debited on 29 January 2014 and the balance of such account on the date is Rp800,000,000,000.00 (eight hundred billion rupiah), the balance is insufficient for such debiting, resulting in a shortfall in Rp200,000,000.00 (two hundred million rupiah). For such shortfall, the Bank will be imposed with a penalty of:

$$\frac{\text{Rp200,000,000.00 x 125\% x 6\% x 1}}{360}$$

Article 23

Self-explanatory

Article 24

Self-explanatory

Article 25

Self-explanatory

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER

5478